

## STATE ASSURANCE FUND (SAF) 2003 COST CEILINGS GENERAL NOTES – ITEM DESCRIPTION CLARIFICATIONS

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### 1. **Cost Ceiling Tasks and the SAF Bid Process:**

Designated task (i.e. item no. 115; remedial system installation)

**NOTE: DO NOT USE COST CEILING ITEM NUMBER 115.** The amount(s) claimed for remedial system installation, unless included in a Cost Ceiling Item Number, is to be based on “time and materials” detail per A.A.C. §R18-12-605(E).

### 2. **Mark-Up on Consultant/Primary Contractor Direct Charges**

Markup claimed on direct charges incurred by the Consultant/Primary Contractor will not be reimbursed by the SAF. For purposes of the 2003 Cost Ceilings, direct charges include consultant/primary contractor labor expense and capital equipment owned by the consultant/primary contractor and billed to the project as a rental item.

### 3. **Mark-up on Contracted Work:**

SAF will reimburse Consultant/Primary Contractor mark-up on approved subcontracted services and/or pass-through expenses up to 16 percent. Mark-up can only be applied to actual subcontractor costs incurred by the Consultant/Primary Contractor. Mark-up cannot be applied to direct charges incurred by the Consultant/Primary Contractor. Mark-up on services provided by an affiliate or subsidiary company with any common ownership interest with the Consultant/Primary Contractor is not considered eligible for reimbursement.

### 4. **Project Management:**

For purposes of the 2003 Cost Ceilings, Project Management costs are included in each of the following Cost Ceiling Item Number: 18 through 32 and 117 through 134. Typical Project Management activities include: client and regulatory agency correspondence, administrative and accounting activities, and related pre-and post-field planning (related to Cost Ceiling Item Numbers 21 and 24 only) tasks. If included in one of the Cost Ceiling Item Number listed above, Project Management is not SAF eligible as a separate and unique task or activity.

Project management not associated with a Cost Ceiling Item Number should be claimed as a separate line on the Claimed Summary Worksheet and grouped with the activities with which it is associated. Further, please use the narrative description or a separate reference number to indicate the activity(ies) with which the Project Management is associated.

### 5. **UST Removal and Closure:**

In accordance with A.R.S. §§49-1052(A)(3), (A)(4) and (A)(6), UST removal and closure activities may be considered for reimbursement by the SAF when a release associated with a tank being removed, impacts native soil and is reported and confirmed prior to initiation of removal and closure activities. Additionally, the release associated with a tank being removed, must require corrective action. Costs for UST system removal and closure include purging of explosive vapors in accordance with API guidance. This task does not include removal and disposal of site surface improvements such as dispenser islands, over-head canopies, and buildings, or subgrade components of the UST system such as product conveyance piping.

### 6. **Off-Site Access Agreement:**

Site access activities conducted in accordance with A.R.S. §49-1022 may be considered for payment by the SAF. The Department must be copied on each site-access request and supporting documentation must be on file with ADEQ. Efforts to obtain off-site access above and beyond those described in the Item Description will not be reimbursed without prior written notification to and participation by the ADEQ case manager. Approved site access activities in excess of the standard referenced above will be evaluated for payment on a case by case basis.

### 7. **Per Diem Mileage:**

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Per diem (2003 Cost Ceilings 14 and 15) are based on the work site being a minimum of 50 miles from the consultant's or contractor's nearest assigned office or duty post. The "field day" requirement for Per Diem without overnight stay (2003 Cost Ceiling 14), is interpreted to include necessary travel time. The "time and/or distance prevents a return home at the end of a work day" requirement for Per Diem with overnight stay (2003 Cost Ceiling 15), is interpreted to include restrictions of allowable duty time pursuant to A.R.S. Title 28, Chapter 14 and applicable rules imposed on a person holding commercial driver license.

### **8. Remedial System Operation and Maintenance:**

No 2003 Cost Ceiling amount exists for monthly remedial system operation and maintenance (Cost Ceiling Item Number 116). The wide variance in system types and necessary and reasonable activities prevents determination of an equitable amount. Documentation should support the number and type of visits and the operational efficiency of the system.

### **9. ADEQ Required and Requested Reports:**

On August 20, 2002, the UST Release Reporting and Corrective Action rule (A.A.C. §§R18-12-250 through R18-12-264.01) became effective. The UST Release Reporting and Corrective Action rule establishes reporting provisions that effect the 2003 Cost Ceilings. On and after the effective date of the 2003 Cost Ceilings, some reporting will continue under the requirements of the federal UST rule and related ADEQ guidance. Other reports will be issued under the provisions of the new UST Release Reporting and Corrective Action rule and its guidance. The governing provisions are established in A.A.C. §R18-12-250 (Applicability and Scope).

Pre-ADEQ UST Release Reporting and Corrective Action rule Cost Ceilings remain as described in the 2000 Cost Ceilings Supplemental Unit Rates. Please continue to use these Cost Ceilings for reporting that is not subject to the new UST Release reporting and Corrective Action rule.

Reporting under the ADEQ UST Release Reporting and Corrective Action rule has been identified by Cost Ceiling Item Numbers 200 through 210. Because of the changes in report content under the UST Release Reporting and Corrective Action rule, no Cost Ceiling amounts have been established for these reports. All reporting under the UST Release Reporting and Corrective Action rule will be evaluated as being reasonable and necessary. For costs not included in a Cost Ceiling, the amount claimed will be evaluated on time and materials detail as provided in A.A.C. §R18-12-605(E).

To maximize the value of historical cost data on the new UST corrective action forms, please identify all costs for a particular report using the appropriate Cost Ceiling Item Number on the same Claimed Summary Worksheet. Also, please group all claimed costs for each report together. A report consists of the reporting form, cover page (per A.A.C. §R18-12-264(A)) and any required attachments. If costs for a particular report are not grouped together, the historical data will be skewed lower than actual costs incurred.

**2003 Cost Ceiling item numbers created to identify reports provided for in the UST Release Reporting and Corrective Action rules are:**

- 200. Release Reporting Form (per form) per A.A.C. §§R18-12-260(A) and R18-12-260(B)
- 201. Confirmed Release 14-day Report (per report) per A.A.C. §R18-12-260(C)
- 202. Initial Site Characterization Report (per report) per A.A.C. §R18-12-261(D)
- 203. LUST Site Classification Form (per form - when not included in another report) per A.A.C. §§R18-12-261.01(D) and R18-12-261.01(E)

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- 204. Free Product Report (per report - when not included in another report) per A.A.C. §R18-12-261.02 (C)
- 205. LUST Site Characterization Report (Per Report) per A.A.C. §R18-12-262(D) for Characterization of the Full LUST Site (Does Not Apply to A.R.S. 49-1053 On-Site Investigations)
- 206. Notice of Soil Remediation Form (per form) per A.A.C. §R18-7-209(A)
- 207. Corrective Action Plan (Per Plan) per A.A.C. §R18-12-263.02(B)
- 208. Periodic Site Status Report (soil only) (per report) per A.A.C. §R18-12-263(G)
- 209. Periodic Site Status Report (soil and groundwater) (per report) per A.A.C. §R18-12-263(G)
- 210. Corrective Action Completion Report (per report) per A.A.C. §R18-12-263.03(D)

### **10. Laboratory Analysis:**

The Cost Ceiling item numbers for laboratory analysis have not changed from the 2000 schedule of costs. If a laboratory analysis meets a Cost Ceiling description, the associated item number should be used to identify costs. If an analytical methodology is used that has no associated Cost Ceiling, please identify the methodology in the narrative description of the Claimed Summary Worksheet and claim costs based on a lump sum per sample per analytical method as a per unit cost in accordance with A.R.S. §49-1054(C).